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SUBJECT: MINISTER FAWZI HARIRI DESCRIBES SHIA-KURDISH ALLIANCE

Classified By: Ambassador Ryan C. Crocker for reasons 1.4 (b) and (d).

¶1. (C) SUMMARY: On July 10, Minister of Industry and Minerals Fawzi Hariri (Kurdish, KDP) told the Ambassador that four major political parties plan to forge a formal alliance in order to challenge the power of extremists in Iraqi party politics. Hariri said that the Kurdish Democratic Party (KDP), the Patriotic Union of Kurdistan (PUK), Islamic Dawa Party (Dawa), and Islamic Supreme Council of Iraq (ISCI) have joined together to preserve the political successes achieved thus far in Iraq, including the creation of a constitution and the acceptance of a federalist concept. The Ambassador stated firmly that the USG will not support a Shia-Kurdish alliance that excludes Sunnis. Hariri also claimed that the Sadrist Movement now controls the Independent Higher Electoral Commission (IHEC). He described Prime Minister Nouri Al-Maliki as weak and isolated, Hariri also stated that Maliki is frustrated with the limited role of the Iraqi Army in recent military engagements. Other ministers also feel weakened and ineffective, Hariri claimed, because the Council of Representatives (CoR) deprives ministers of the authority they need to function effectively. Hariri's ministry recently received an Iranian proposal to invest in petrochemicals. Finally, Hariri reported that most of Iraq's neighbors -- including Israel -- have begun cooperating in the return of looted artifacts, with the notable exceptions of Kuwait, Iran and Turkey. END SUMMARY.

THE SHIA-KURDISH 4-PARTY ALLIANCE

¶2. (C) Minister of Industry and Minerals Fawzi Hariri told the Ambassador July 10 that four major political parties plan to forge a formal alliance in order to challenge the power of extremists in Iraqi party politics. Hariri, who also serves as spokesperson for the KDP, said that the PUK, Dawa, ISCI and the KDP have joined together in order to preserve the political successes achieved thus far in Iraq, including the creation of a constitution and the acceptance of a federalist concept. They want to change the fundamental tenets of Iraqi politics, Hariri asserted, by basing their alliance on shared political interests rather than shared ethnic identity. Hariri explained that the parties plan to sign an agreement in Irbil, and averred that Iran did not play a part in facilitating this four-party alliance. "I think Iranians would welcome it, though," he allowed, "since they have good relations with all of the parties."

¶3. (C) The Ambassador stated firmly that the USG will not support a Shia-Kurdish alliance that excludes Sunnis. He added that this new grouping, especially if it excludes Vice President Tariq Al-Hashimi, could tip the scales in the U.S. Congress against prolonging the current level of American commitment to Iraq. At the Ambassador's request, Hariri promised to convey USG concerns to Kurdistan Regional Government President Massoud Barzani that a Shia-Kurdish alliance would make it very difficult for the United States

to defend the current political process. (Note: Hariri subsequently reported from Irbil that Barzani remained completely committed to Sunni Arab participation in the governance of Iraq, adding that "we will not proceed without complete coordination with the US Government."

SADRISTS NOW CONTROL IHEC

¶4. (C) Hariri claimed that the Sadr Movement now controls the Independent Higher Electoral Commission (IHEC) through the machinations of Chief Electoral Officer Karim Mahmoud Al-Tamimi. Hariri said that IHEC Chairman Faraj Mirza Alhayari told him that Tamimi ensures that the IHEC serves the interests of the Sadrists. According to Alhayari, agents of the Sadr Movement threaten and intimidate those on the IHEC who oppose them. Hariri claimed that Sadrists intend to use IHEC to help them ensure victory in upcoming provincial elections.

MALIKI FRUSTRATED BY LIMITED ROLE OF IRAQI ARMY

¶5. (C) Hariri said that 24 ministers attended the July 10 Council of Ministers meeting, where discussion centered on frustration with the limited Iraqi role in recent military operations. Hariri said that Prime Minister Nouri Al-Maliki expressed disappointment that whenever U.S. military leaders speak to the media, they give the impression that only American troops are fighting. These military statements, Maliki reportedly complained, feed into Congressional arguments in favor of imposing a withdrawal deadline. Maliki

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said, according to Hariri, that he thought Iraqis were supposed to be leading combat engagements, with American troops in support. Hariri said that Maliki wants more Iraqi control in future military operations. Maliki complained, for instance, that the Iraqi Army has not been able to use the 10 - 12 American helicopters that they recently purchased.

¶6. (C) Hariri said that Minister of Defense Abd Al-Qadr Al-Mufriji responded to Maliki by asserting that Iraqis are ready to act with a great degree of independence from the U.S. military. They need air support, Qadr claimed, but can operate independently on the ground. Hariri said that the Cabinet reached consensus that the Prime Minister must "iron out differences (with the Americans) on command and control."

¶7. Hariri said that Minister of Planning Ali Baban of Tawafaq attended the July 10 Council of Ministers meeting. The Cabinet postponed discussion of revenue sharing until their next meeting.

MALIKI IS ISOLATED AND WEAK

¶8. (C) Hariri said that Maliki seems to feel "lost and isolated," and finds it difficult to ask for help. He has "a terrible team around him," Hariri charged, "which is a large part of the reason for his failure." Maliki lives enclosed in a cocoon, Hariri asserted, surrounded by people telling him that everything is all right. He said that former Prime Minister Ibrahim al-Ja'fari is a natural replacement for Maliki, and claimed that "talk of (Ja'fari) in this way indicates major lack of confidence in Maliki." Hariri did praise Maliki, however, for his strong opposition to the Sadr Movement, which Hariri described as the "biggest group and the biggest challenge" for Iraq.

MINISTERS LACK AUTHORITY TO FUNCTION EFFECTIVELY

¶9. (C) Hariri complained that oversight and interference by Council of Representative (CoR) Committees deprives Government Ministers of the requisite authority to take independent decisions. Hariri said that while the Constitution grants ministers authority to make decisions, in practice the CoR constrains them. "Right now," Hariri said, "if the Economic Committee does not meet, then my work (in the Ministry of Industry and Minerals) stalls." Ministers cannot effectively direct their ministries when they must constantly seek CoR approval for their actions, Hariri reported. While the ministers lack full authority to carry out their jobs, he said, they are still held accountable for their ministries' performance.

IRAN'S PROPOSED INVESTMENTS IN IRAQ

¶10. (C) Hariri reported that Iran proposed to invest \$400 million in two Diyala projects: a petrochemical plant, and a factory that produces fertilizer and electrical generators. Hariri said that he refused this offer and suggested instead that they invest in a tire factory in Najaf and in a sugar plant in Diwaniya. Hariri also said that the Government of Iraq (GOI) is currently engaged in discussions with Dow Chemicals about jointly investing \$2 billion in a chemical factory in Basra.

WHO IS, AND WHO ISN'T, RETURNING STOLEN ARTIFACTS TO IRAQ

¶11. (C) The Cabinet also discussed July 10 the return to Iraq of stolen historical objects, according to Hariri. Many countries in the region, Hariri said, have begun returning artifacts to the GOI. Notably, Hariri explained, Israeli officials returned, through a third party, objects that they had seized at Ben Gurion International Airport. Three countries, Hariri claimed, have not cooperated in collecting and returning Iraq's historical artifacts: Kuwait, Iran, and Turkey.

CROCKER